

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-7-C - ORDER NO. 2005-88
FEBRUARY 22, 2005

IN RE:	Application of Farmers Telephone)	ORDER APPROVING
	Cooperative, Inc. to Increase Depreciation of)	DEPRECIATION RATES
	Office Furniture, Office Support Equipment)	
	and General Purpose Computers.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Farmers Telephone Cooperative, Inc. (Farmers or the Company) to increase depreciation of office furniture, office support equipment and general purpose computers. The Company notes that no rate changes to the Company's customers will result pursuant to the request.

Specifically, Farmers requests that the depreciation life for plant office furniture be reduced from 16.667 years to 10 years, which results in an annual increase in depreciation expense of \$15,816. In addition, the Company requests that the depreciation life for general purpose computers be decreased from 7 years to 5 years, an annual increase in depreciation expense of \$153,439. Finally, the Application requests a decrease in depreciation life of plant office support equipment, which consists of equipment such as copiers and printers, from 16.667 years to 5 years, or an annual increase in depreciation expense of \$121,058.

We would note that the Office of Regulatory Staff (ORS) has filed a responsive document to the Application. ORS consents to the approval of the decrease in plant life

and resultant increase in annual depreciation expense with regard to the first two categories, i.e. plant office furniture and general purpose computers. However, ORS proposes a decrease in plant life with regard to plant office support equipment from 16.667 years to 9.5 years, which results in an increase in annual depreciation expense of \$39,170. Farmers has now filed a consent to the ORS proposal with regard to plant office support equipment. We believe that the overall agreement of the parties should be approved, as the modified plant lives proposed and/or finally agreed upon are within a proper range of reason.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Farmers requests a decrease in depreciation lives for three separate categories of items, which will result in an increase in annual depreciation expense. Rates for customers will not be affected.
2. Farmers requests a decrease in plant life with regard to plant office furniture from 16.667 years to 10 years, which is an annual increase of \$15,816 in depreciation expense. ORS agrees with this proposal.
3. Farmers requests a decrease in plant life with regard to general purpose computers from 7 to 5 years, for an annual increase of \$153,439 in depreciation expense. ORS agrees with this proposal.
4. These two decreases in plant life and increases in depreciation expense should be approved as filed.
5. Farmers has also requested a decrease in plant life with regard to plant office support equipment from 16.667 years to 5 years, or an annual increase of \$121,058

in depreciation expense. ORS disagreed with this proposal, and instead proposes a decrease in plant life from 16.667 years to 9.5 years, for an annual increase of \$39,170 in depreciation expense. Farmers has now agreed to the ORS proposal. The ORS proposal, as agreed to by Farmers, should be approved.

ORDER

1. The requests for decreased lives and increased depreciation expense for plant office furniture and general purpose computers is approved as filed. The agreement between Farmers and ORS with regard to plant office support equipment is approved.

2. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/
Randy Mitchell, Chairman

ATTEST:

/s/
G. O'Neal Hamilton, Vice-Chairman

(SEAL)